

Progress Update
Endowment Fund Reform Review Task Force
As of October 24, 2005

- Task force has met twice. Next meetings November 14 and November 28.
- Unanimous agreement that the basic concepts of endowment reform implemented since 1999 have been a success

Short-term objectives (December 2005)

- Develop proposed legislation to address technical issues:
 - Calculation of inflation factor used to determine benchmark/high water mark of the Permanent Funds
 - Impact of interest and dividends going to the Permanent Fund instead of the Earnings Reserve Fund for all endowments when public schools' Permanent Fund reaches the "gain" benchmark.

Mid-term objectives (March 2006)

- Enhance the process for monitoring and reporting actual vs. forecast with regard to Spending Policy

Longer-term objectives (June-August 2006)

- Clarify the process and principles for determining the Spending Policy for FY2008 and beyond to ensure no surprises
- Explore options to partially or totally consolidate ownership of the lands held by the pooled beneficiaries – deliver findings and preliminary recommendation
- Vette the Asset Management Policy being developed by the Department of Lands and the Endowment Fund Investment Board

Task force members: Steve Allison (SCO), Rep. Darrell Bolz, Rep. Bill Deal, Chuck Goodenough (Sec), Larry Johnson (EFIB), Kathy Opp (DoL), Larry Schlict (DFM), Clive Strong (AG)

Assisted by: Ray Houston (LSO), Bob Maynard (PERSI), Kent Nelson (AG), Richelle Sugiyama (PERSI) Julie Weaver (AG)